Annual Report

Provincial Information
and
Library Resources Board

2003-2004

Annual Report

Provincial Information and Library Resources Board

2003-2004

105-01479/

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PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
PROVINCIAL ADMINISTRATION DIVISION
48 St. George's Avenue, Stephenville, NL A2N 1K9

Honourable Tom Hedderson
Minister of Education
Department of Education
P. O. Box 8700
St. John's, NL
A1B 4J6

November 22, 2004

Dear Minister Hedderson:

In accordance with the section 16 of the **PUBLIC LIBRARIES ACT** RSN 1990 CHAPTER P-40, as amended, we are pleased to submit the Provincial Information and Library Resources Board's annual report for the fiscal year 2003-2004.

The mandate of the Provincial Information and Library Resources Board is to provide library and support services to the people of Newfoundland and Labrador. While the mandate has not changed, the programs and services offered through the public library system have. Public computer access, computer training, digital collections, genealogy services, educational support and literacy partnerships have resulted in additional demands being placed on the public library system.

The Board strongly believes that public libraries have a significant role to play in improving literacy, health and services for our communities. With one of the lowest literacy rates in Canada, we believe we need to develop new and/or adapt our existing programs to increase the use of public libraries. We also believe we need to aggressively promote our services to realize the maximum benefit from our system. We are doing good work and with our strategic plan now completed we are convinced that libraries will play a more significant role in the future.

This report provides an overview of the key activities of our organization during the past year. It also identifies our strategic goals and objectives and the work we have undertaken to meet these goals and objectives. Finally we will provide some insight into issues which are important to our future.

On behalf of the entire Board, I offer my sincere thanks to all our local, divisional and provincial board members, staff, partners, patrons and representatives of the Department of Education who have worked with us or used our services over this past year. Your support for and continued use of our services are sincerely appreciated.

Calvin Taylor, Chair

BOARD STRUCTURES

Provincial Information and Library Resources Board

The Provincial Information and Library Resources Board (PILRB) is an independent organization established by the Provincial Government in 1935, under authority of the **Public Libraries Act**, to oversee the operation of the public library services in Newfoundland and Labrador.

The PILRB is run by a Provincial Board comprised of representatives and alternates of the regional boards and appointees of the Lieutenant-Governor in Council. The Provincial Board has not less than 10 and not more than 15 members which include: (a) a representative from each regional library board appointed by that board; (b) the chairperson of the St. John's Library Board appointed by that board and; (c) up to six other members appointed by the Lieutenant-Governor in Council.

Regional and Local Library Boards

The PILRB currently operates 96 public libraries across the Province. Each local library is operated by a local library board consisting of 5-9 members with the exception of the three libraries in St. John's which operate under the St. John's Library Board. A representative of each local library board is appointed to a regional library board which assists the provincial board to ensure that services and programs are consistent throughout the different regions of the province and assists in the development and implementation of policies. ***Refer to the Board Structures Chart - Appendix 1.***

ORGANIZATIONAL OVERVIEW

Vision

The PILRB's vision of the public library system in Newfoundland and Labrador is universal access to a full range of library and information services supporting personal growth and life-long learning.

Mission

The mission of the PILRB is to adapt the public library system in order to maximize services for the people of Newfoundland and Labrador.

Lines of Business

As an organization, we offer a variety of services throughout the province. These services have been consolidated into two distinct lines of business.

1. Information Access

Any person can access information in print and electronic formats, make queries, or access library catalogues and databases at libraries throughout the province. Access to in-house information and programs is available to persons with or without a valid library card. Computer access, however, is granted to library card holders only. Any individual is welcome to attend library programs such as

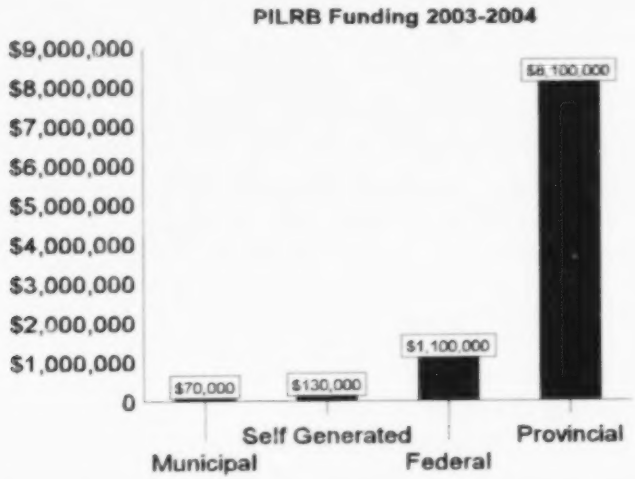
authors visits, writers workshops, genealogy sessions, etc. Computer training, assisted technology, emergent technology and new technology are also available at designated sites.

2. Information Lending

Public libraries circulate print materials and, where available, materials in audio and/or visual formats. Patrons are free to use materials on site and, where available, can renew or reserve materials from home computers using their library card access number. Certain sites lend equipment and patrons, in selected areas of the province, can borrow books by mail or receive books via home reader services. Individuals can also obtain materials available at other libraries through inter-library loans (available through public libraries only).

Library Funding

The public library system is funded, primarily, by the Provincial Government in the form of an annual operating grant. Additional funding is obtained from the Federal Government through programs such as the Community Access Program and the National Literacy Secretariat. Municipalities also contribute financially to the operation of libraries. While the monetary value of the municipal contributions is relatively low, there are significant in kind contributions in the form of buildings, free rent, snow clearing, maintenance, etc. This in kind contribution, which is not included in our budget figures, exceeds $ 1,000,000 annually. The remainder of our funding is self-generated from fines, fees for service and donations. Our total budget for 2003-2004 was $9.4 million.



Staff Complement

The PILRB has a total staff complement of 210 full and part-time permanent employees and approximately 100 substitute employees. Substitute employees are called to work when the permanent staff take leave. There are also approximately 800 volunteer library board members.

Library Locations

There is a total of 96 public libraries located across the province. These libraries are divided into four regions:

Western Newfoundland and Labrador	31	(Labrador 6)
Central Newfoundland	33	
Eastern Newfoundland	29	
St. John's	3	

Of the 96 public libraries, there are 32 located in schools, 33 located in municipal buildings, five located in Government buildings and 26 located in PILRB owned or leased facilities.

Achievements

The fiscal year 2003-2004 was a very rewarding year for the PILRB. We were able to sustain services, implement several new programs and make several operational changes to improve the efficiency and effectiveness of the operation. The following is an overview of some of our key accomplishments during the past year:

Library Services

- Provided a wide range of public library services to 149, 351 registered library users.
- Loaned 1,620,236 titles to registered library users.
- Responded to 320,784 inquiries for information.
- Offered 3,628 in library programs attracting 44,015 patrons.
- Offered tours and in-house instruction on library services for 4,407 school classes containing 67, 621 students.
- Borrowed 21,126 titles of library materials, which were not available within the provincial public library system, thereby providing a valuable service to our clients.
- Loaned 21,718 titles of library materials, which other library systems do not have in their collections, thereby providing a valuable service to those library systems.
- Recorded 466, 881 half hour public computer use sessions.
- Offered 184 public computer training courses attracting 715 attendees.

Library Operations

- Operated within our budget.
- Upgraded PILRB's communications infrastructure.
- Enhanced the security of PILRB's information systems.
- With federal funding, implemented new public access computing infrastructure.
- Developed a new PILRB web site.
- Implemented a new provincial wide public library e-mail system.
- Established an IT help desk.
- Completed a new Capital Assets Policy and related procedures to meet the requirements of the Auditor General.

- Implemented a Volunteer Recognition Program for years of service of board members.
- Developed a PILRB Strike Plan.
- Moved three existing joint school public libraries into new school facilities.
- Established one new school public library service.
- Advertised and filled 25 staff postings for existing positions.
- Prepared the Grand Falls-Windsor library for automation.

Technical Services

- Purchased 37,882 new volumes for public libraries around the Province.
- Catalogued and processed 38,627 volumes of library materials including new purchases, donations and recatalogued items.
- Catalogued and processed approximately 1,974 titles of a materials backlog which had been in storage for several years.
- Catalogued and processed 3,540 talking books and videos.
- Processed a total of 57,163 items (includes the above figures).

Special Projects

- Provided a grant of $ 10,000 each to 4 local library boards and helped them secure additional external funding to upgrade their libraries.
- Partnered with the Burgeo Broadcasting System to provide public computer training, using wireless technology, and received an Industry Canada Library Net Best Practices Award in recognition of our efforts.
- Contributed to the preservation of our history by overseeing the completion of two digital collections projects: The Commonwealth War Graves Site and; The Royal St. John's Regatta which was voted one of the best in Canada.
- Partnered with the Literacy Development Council, the Department of Education and various literacy providers to establish a Literacy Clearing House in the Provincial Resource Library in St. John's.
- Implemented Web-4-All technology at selected sites to encourage computer usage by those with physical and visual impairments

STRATEGIC ACTIVITIES

Strategic Plan

In 2002-2003, the organization established an internal strategic planning committee to commence development our first strategic plan. Facilitators from the Department of Education and Treasury Board provided guidance and assistance to staff. We are pleased that we were able to complete our plan in 2003-2004. The following is an update on our strategic and operational activities relating to our strategic goals and objectives for 2003-2004.

Strategic Goal	2003-2004 Objective	Status
By 2006, a plan designed to improve communication methods is written.	By 2004, a survey is designed to document current and potential communication methods with clients	Objective Accomplished

Overview

One of the issues raised during our strategic planning process was the difficulty providing information to and receiving information from our clients. Providing information to our clients is necessary to advise of program changes, hours of operation, new program initiatives, accomplishments and failures. Without effective communication we are not able to inform the public of the services we offer or allow them to take advantage of these services and programs. Equally as important is receiving information from our clients. We strive to improve our services and when possible seek input from our clients. However, without a formal process to receive and evaluate those comments we are concerned that we may not be meeting the needs of population or addressing the additional requirements of unique users.

Strategic Activities 2003-2004

During the past year, we established a committee and initiated a review of the issues which are important when communicating with or receiving information from our clients. After the information was gathered, a survey was prepared which will be circulated to client representatives early in 2004-2005.

Operational Activities 2003-2004

In 2003-2004, we continued to improve on the communication initiatives consistent with our strategic goal. The following specific activities were carried out:

- Continued with the development and circulation of a public libraries newsletter ***Insights*** which is published in-house using existing resources. ***Insights*** was also posted, for the first time, on our web site. This will enable staff and our clients easy access to current events and good news stories involving libraries.
- Revised and updated our website to include simpler and easier access, new program initiatives, updated links and contact information also using in-house resources and staff. The public and staff now have easy access to current information about our programs, services, hours of operation and locations.
- Implemented a new open source e-mail system, at minimal costs, using existing staff, IT infrastructure and facilities. This new system is web based, which means staff members now have direct access to e-mail regardless of their location.
- Established an IT help desk to record IT issues, communicate to sites regarding response times and track IT service issues and problems. This was also accomplished using existing staff with some external funding.
- Increased the number of Provincial Board meetings from 2 per year to 4 per year which is a requirement of the Public Libraries Act. The two extra meetings are held via telephone conference. These additional meetings help keep the Provincial Board better informed.

Strategic Goal	2003-2004 Objective	Status
By 2006, the acceptable level of IT infrastructure is documented for each of the PILRB sites	By 2004, current IT usage and future internal and external client IT infrastructure needs for each PILRB site will be recorded	Objective: Partially Accomplished

Overview

Public computer access is currently one of the most frequently used PILRB programs and is in high demand by the general public, tourists, new business owners, teachers, students, and staff. In 2003-2004, we recorded 466,881 half hour public computer use sessions in our public libraries. If one considers that there are 35 working hours per week and 52 weeks per year, this amount of time is equivalent to 128 working years of computer time for one person.

Unfortunately, external funding has been reduced over the past four years and operation and maintenance of the extensive IT system is now being transferred to the PILRB. While external funding sources are constantly being investigated and additional funding has been requested from Government, the PILRB has been unsuccessful in obtaining adequate funding in order to keep the current system functioning. In the past two years, we have had to rely on internal savings from transfer of positions, delayed staffing, deferral of capital projects and operational efficiencies in order to keep the system operating. We are at a point where our current funding is not adequate to maintain the current PILRB IT system. The strategic goal for 2005-2006 is to determine what level of IT infrastructure is necessary and appropriate for each PILRB site.

Strategic Activities 2003-2004

During the past year, a committee was established which consolidated information on current IT activities within the PILRB. In addition to this, the committee developed a survey for distribution to the internal staff members of the organization as the first step in determining current and future IT needs. Additional information will be gathered from clients during the analysis phase to ensure that external client needs are also clearly understood. With the public service strike imminent, it was decided that February and March of 2004 was not a good time to release the survey. Therefore, the survey, developed for the internal clients, will be completed by June of 2004. Additional external client information, if needed, will be gathered during the analysis phase in the Fall of 2004.

Operational Activities 2003-2004

In 2003-2004, we continued to evaluate the IT infrastructure within the organization in an attempt to streamline operations and make the system more efficient and effective. The following specific activities were carried out:

- Reviewed the communications infrastructure in an attempt to determine if there were duplications of service or inaccuracies in billing.
- Updated the capital assets for IT equipment to ensure there is an accurate account of all IT equipment and supplies.

- ❑ Reviewed and revised IT infrastructure specifications to ensure that the current needs are accommodated with the equipment and services purchased.
- ❑ Negotiated a new contract with Aliant for communication services in order to take advantage of discount pricing for bulk purchase arrangements.
- ❑ Implemented remote servicing to deal with a variety of IT issues in sites which has high speed connection.
- ❑ Reviewed external funding opportunities in order to determine if funding deficiencies could be addressed through external programs.

Strategic Goal	**2003-2004 Objective**	**Status**
By 2006, a plan is approved for implementation of an automated circulation system (Dynix) for sites which have not been scheduled for automation.	By 2004, criteria for the implementation of an automated circulation system (Dynix) is documented	Objective Accomplished

Overview

Automated circulation is essential for modern library facilities. The ability to search an online materials catalogue, place holds, renew online and borrow books through an automated system is now the norm in the vast majority of libraries. Until 2001, only two automated libraries existed in this province; St. John's and Gander. Patrons in other centers regularly complained and requested automation of their libraries to make them more efficient and effective. In 2001, the PILRB implemented a plan to automate some of the larger sites. While there is a significant number of sites which need to be automated, because of limited resources, only the larger ones were selected. During 2002-2003, automation was carried out in Mount Pearl, Corner Brook and Stephenville. Grand Falls-Windsor was scheduled to be completed in 2003-2004 but due to technical problems with the existing automated circulation system, automation had to be deferred until the problems are corrected.

In 1992, the PILRB implemented an automated circulation system using a text based program called Dynix to service the St. John's public libraries. Since that time, Dynix has been used to provide automated circulation in several other sites. This system has served the PILRB well for the past 12 years. However, some of the technologies used are no longer supported by the vendors. Aging technologies combined with expansion limitations of the current version means that the replacement of PILRB's Library Management System has become a priority. Although the vendor still supports Dynix, they indicate that it will be increasingly difficult to provide effective support in the years ahead.

In 2003, the PILRB's Library Management System (Dynix) began to malfunction. After discussions with the Dynix Corporation it was determined that expansion of the existing system had reached its limit. With the system nearing the end of its useful life, replacement was becoming increasingly more important in order to maintain the existing operation, expand services and improve the functionality

for the people of the Province. A short term plan was implemented to ensure continuance of the existing system. This required halting all future expansion until upgrading could be carried out. The permanent solution, therefore, is the replacement of Dynix. The steps required to do this have already been identified and work will begin to identify user requirements in the fall of 2004.

Strategic Activities 2003-2004

While the organization has begun automation of the larger library sites, there was a need to determine the feasibility of the automation of all library sites. The strategic goal is to develop a plan for the automation of all library sites. The objective for 2003-2004 was to establish criteria for automation. A committee was established and a set of criteria was developed. All library sites were ranked on the basis of the criteria and divided into five categories. With the completion of Grand Falls-Windsor, there are still four sites remaining to be automated in category one including: Bay Roberts, Conception Bay South, Clarenville and Labrador City. The sites in the other four categories were ranked within each category and will be automated in order of priority as funding becomes availability.

Unfortunately, we have had to delay further automation of any sites until the issues with the existing automated circulation system have been resolved.

Operational Activities 2003-2004

In 2003-2004, while automation of additional sites did not occur, we continued to prepare for future automation projects. The following specific activities were carried out:

- At the request of the IT Division, X-Wave was contracted to conduct a Dynix security audit. As a result of the audit, several deficiencies were identified and steps were taken to address those issues thereby enhancing the security of the system. As a result of these changes, we have a more secure access which further prohibits unauthorized users from accessing the system.
- Negotiated an additional year of support for the aging hardware from Dynix.
- Implemented a short term emergency plan to further guard against hardware failure.
- Established a committee and determined the steps required to replace the aging Dynix automated circulation system.
- Worked on clearing up the backlog of uncatalogued materials to expedite the automation of sites when the problems with the existing system are resolved.

Strategic Goal	2003-2004 Objective	Status
By 2006, policies are divided into operational and governance.	By 2004 criteria to differentiate operational and governance policies are approved.	Objective Accomplished

Overview

Every organization requires appropriate legislation and/or clear policies, procedures and standards by which to operate. Policies and procedures are an important tool for management and staff and are necessary to ensure consistency of service. They also reduce the need for employee/manager contact.

In the PILRB, there is an abundance of policies, procedures and standards of operation. Unfortunately, the process for development and approval has never been clearly established. In addition to this, there are issues which are strategic in nature, requiring Provincial Board approval. There are other issues which can be addressed through operational policies and procedures which can be adopted without having to wait for Provincial Board approval, although the Board is informed.

Strategic Activities 2003-2004

Our objective for this past year was to establish criteria to differentiate policies and procedures into either operational or governance categories. The criteria were established and a policy was developed to clarify when a policy/procedure is operational or governance and the procedures for approval of each.

Operational Activities 2003-2004

In 2003-2004, we continued to work on the development of new policies and procedures or the revision of existing policies and procedures to address issues relating to Newfoundland and Labrador public libraries. The following specific activities were carried out:

- Reviewed all existing policies and procedures and developed a table of contents which was circulated to all staff.
- Consolidated all policies and procedures in order to provide ease of access.
- Developed/revised 10 new policies to address pending PILRB issues.
- Investigated options to upload policies and procedures on the secure Intranet for staff access.
- Identified external sources of library related policies and policies for future reference.

Strategic Goal	2003-2004 Objective	Status
By 2006, a plan to improve PILRB public relations (PR) is written.	By 2004 existing PR initiatives are documented	Objective Accomplished

Overview

One of the most frequently heard comments regarding public library services is "oh, I didn't realize you could get that at the public library." Whether it is free internet access, document scanning, digital camera rentals, printing services, rare Newfoundland and Labrador books, audio books, video's CD's or information on genealogy, it is clear that people are not really familiar with the services available.

Since 1999, many new services and programs have been added to the Newfoundland and Labrador public libraries. Unfortunately, the organization has been unable to carry out an effective PR campaign to advise patrons of these additions. We believe, an efficient and effective PR plan is essential and will help increase the use of public libraries across the Province.

While a PR plan has been considered, the major obstacle has been the costs of promotional material and advertising. Nevertheless, it is acknowledged that a PR plan is essential if we are to promote our services. If costs are a limiting factor we must be innovative in order to keep costs low.

Strategic Activities 2003-2004

Our objective for 2003-2004 was to determine what types of PR activities have been used both within and outside the organization. In order to accomplish this, a committee was established. An inventory of past activities within the PILRB was generated and a literature review was carried out. We were able to generate an extensive list of potential PR activities.

Operational Activities 2003-2004

In recognition of the importance of public relations, the PILRB decided to continue with PR activities even thought this issue will be addressed in the strategic planning process. In 2003-2004 the following specific activities were carried out:

- Purchased library book bags and sold them at cost to the local library boards. The bags were resold to patrons. In addition to generating a small profit for the library, they helped raise awareness of our programs and services.
- Developed in-house pamphlets outlining our services, for distribution to library users and the general public.
- Prepared newspaper articles on a variety of special library services.
- Carried out various activities, such as open houses, author readings, story telling, etc. during library week.
- Advertised services on CBC radio.

- ❑ Entered into discussions with CBC regarding future radio and TV advertising.
- ❑ Reviewed signage at all library sites in an attempt to make the sites more visible.

Strategic Goal	2003-2004 Objective	Status
By 2006, criteria for matching hours of opening to public demand are established.	By 2004 current hours in all libraries are documented.	Objective Accomplished

Overview

Over the past several years, a large number of public libraries have been experiencing an increase in activities. In order to be able to meet the needs of their patrons, library staff and library boards have been requesting additional funding to increase the hours of opening. While the PILRB recognizes that there are sites which require additional hours of operation, unfortunately, due to funding limitations none of the requests have been met.

One of the concerns which has arisen recently is how to objectively determine how many hours of operation each library requires in order to meet the demands. While it is recognized that there are a large number of sites which need additional hours, it is possible that some sites may have more hours than they need due to populations changes. In light of these issues, it is necessary to determine the required hours of opening for each library based on the needs of the patrons of that library.

Strategic Activities 2003-2004

In working towards our strategic goal, our objective for 2003-2004 was to determine the current hours of operation for each library. This would only include the base hours and not any hours added by external funding. A committee was established and a complete inventory of the hours of operation for all sites was developed. In preparation for the next objective, detailed site specific information including: population, number of registered patrons, type of library and other statistical information was gathered in order to determine the needs of each particular site.

Operational Activities 2003-2004

While we continue to work on our strategic goal and objectives, it will likely be three years before the survey is completed to determine the needs of each and every site in the organization. Unfortunately, there are existing sites which have an immediate need for additional hours. Where possible, we have attempted to address those needs through interim measures. In 2003-2004 the following specific activities were carried out:

- ❑ Used external funding from Industry Canada (Community Access Program) to provide additional hours.
- ❑ Encouraged sites with inadequate hours to fund raise in order to increase hours of operation.
- ❑ Actively sought external funding sources to supplement staff levels and improve services.

- Solicited municipalities to increase their contributions which would enable sites to increase hours.
- Relocated some hours from one library to another when a library was placed in abeyance or if staff were on extended sick leave, etc.

Opportunities and Challenges

Expanded Role of Libraries

Public libraries across the country are being asked to take on new programs to fill the voids created by reductions in other service areas. In the age of computer technology, many programs/activities can now be carried out over the internet. With 96 locations, approximately 550 public access computers and high speed connectivity in most sites, people are visiting their libraries to access online federal programs such as: the employment insurance program and the national gun registry; or provincially, to register for social assistance, renew vehicle registrations, participate in online educational courses, etc.

In addition to an expanded role in the area of computers, we are partnering with other groups to improve services. Recently, we have partnered with the Department of Education, the National Literacy Secretariat and various literacy groups around the province to establish a literacy clearing house for distribution of literacy materials to literacy trainers. This type of initiative is an example of a true partnership and will help improve the services we offer but are maintained with no additional funding. While very beneficial these types of activities place additional burdens on our limited resources.

Cost of Operations

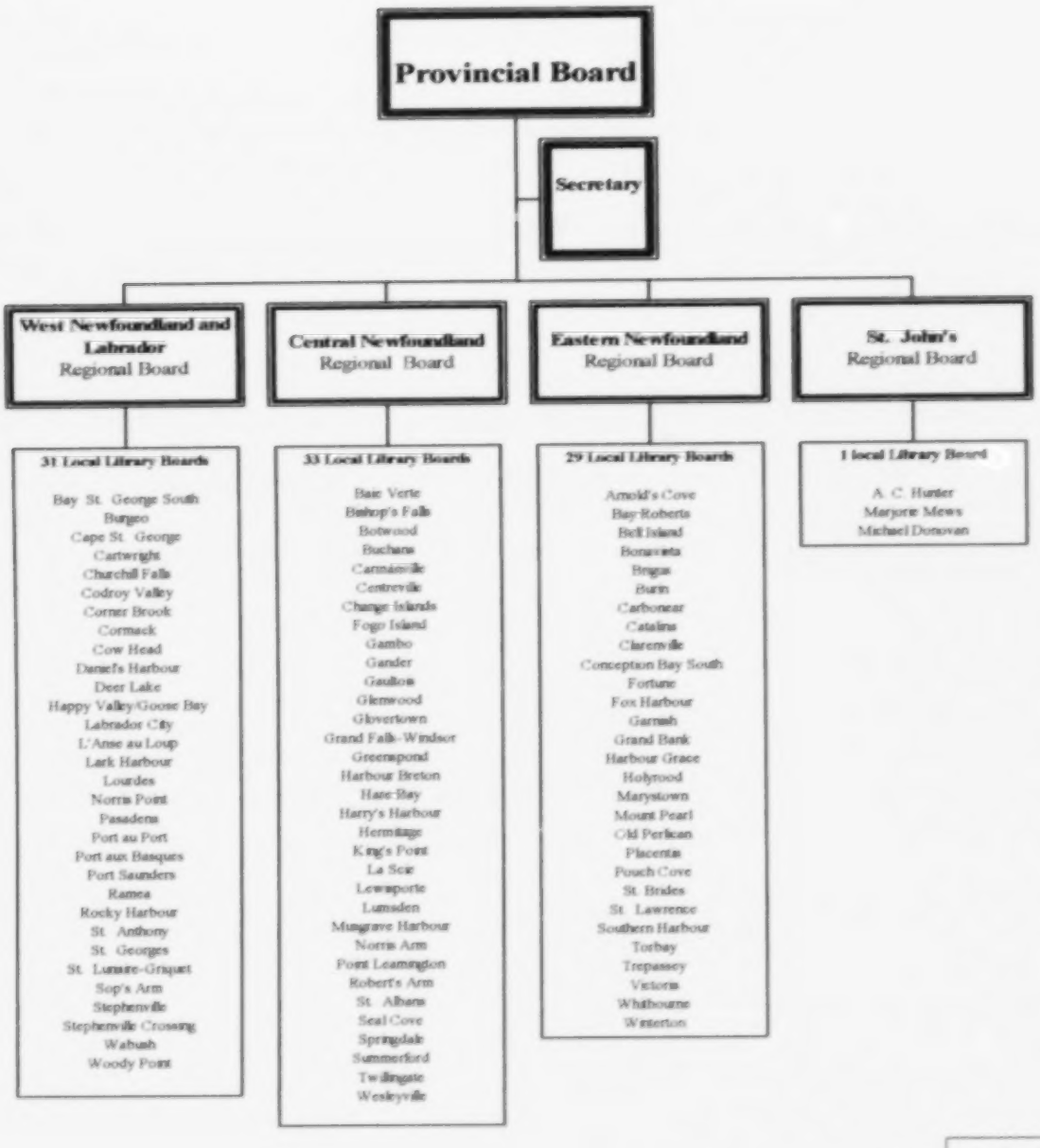
Newfoundland and Labrador has one of the highest number of libraries per capita in Canada. This is primarily because our population is dispersed with very few major centers. Many of the smaller centers, therefore, have public libraries facilities. Even though we currently have a large number of public libraries, there are still 22 new library requests on file from communities, some of which have approximately 5000 people without direct access to a public library.

Newfoundland and Labrador also has one of the lowest funded library systems per capita in the Canada. With a budget of approximately $18 per capita, only one province (P.E.I.) has lower funding levels. The average public library per capita funding level in Canada is $33.92 (based on most recent figures which are three years old from some provinces). The high number of libraries and the low funding levels make it extremely difficult for us to provide quality programs, adequate hours and appropriate materials to all sites. Nevertheless, with one of the lowest literacy rates in Canada, the public library system can and does play a very important role in literacy development in the Province. Our difficulty is trying to provide quality services, with limited resources, to all sites.

Appendix 1

Provincial Information and Library Resources Board

Board Structures



Appendix 2

The Provincial Information and Library Resources Board

Financial Statements

2003-2004

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

FINANCIAL STATEMENTS

31 MARCH 2004

Office of the Auditor General

OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the Chairperson and Members
Provincial Information and Library
Resources Board
Stephenville, Newfoundland and Labrador

I have audited the balance sheet of the Provincial Information and Library Resources Board as at 31 March 2004 and the statements of changes in net assets, revenue and expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at 31 March 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

JOHN L. NOSEWORTHY, C.A.
Auditor General

St. John's, Newfoundland and Labrador
7 June 2004

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD

BALANCE SHEET

31 March

	2004	200
ASSETS		
Current		
Cash	$ 1,012,211	$ 1,398,99
Accounts receivable (Note 2)	166,489	125,706
Prepaid expenses (Note 3)	169,677	212,24
	1,348,377	1,736,944
Long-term investments (Note 4)	23,492	-
Capital assets (Note 5)	2,181,462	2,087,400
	$ 3,553,331	$ 3,824,344
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 464,052	$ 576,920
Deferred revenue (Note 7)	221,133	527,746
Deposits - local libraries (Note 8)	2,171	2,886
	687,356	1,107,552
Severance pay liability	1,061,968	1,057,284
	1,749,324	2,164,836
Net Assets		
Unrestricted net assets (deficit)	(377,455)	(427,892)
Net assets invested in capital assets	2,181,462	2,087,400
	1,804,007	1,659,508
	$ 3,553,331	$ 3,824,344

See accompanying notes

Signed on behalf of the Board: Colin Taylor — **Chairperson**

Member

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended 31 March

	Invested in Capital Assets	Unrestricted	2004	2003
Net assets (deficit), beginning of year	**$ 2,087,400**	**$ (427,892)**	**$ 1,659,508**	$ 2,183,768
Capital grant from Province	-	120,000	120,000	120,000
Less: Deferred capital grant	-	(30,000)	(30,000)	(10,000)
Excess of revenue over expenses (expenses over revenue)	(473,744)	528,243	54,499	(634,260)
Invested in capital assets	567,899	(567,899)	-	-
Proceeds from disposal of capital assets	(93)	93	-	-
Net assets (deficit), end of year	**$ 2,181,462**	**$ (377,455)**	**$ 1,804,007**	$ 1,659,508

See accompanying notes

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF REVENUE AND EXPENSES
For the Year Ended 31 March

	2004		2003
	Actual	Budget (Note 9)	Actual
REVENUE			
Operating grant from Province	$ 8,062,700	$ 8,062,700	$ 7,855,800
Other grants			
Computerization projects	988,390	-	435,026
Literacy projects	95,564	-	113,135
Gates Learning Foundation	-	-	12,892
Interest	70,221	-	67,153
Miscellaneous	60,121	40,000	58,863
Fines and lost library materials	33,733	60,000	33,340
Gain from demutualization	23,492	-	-
Gain on disposal of capital assets	-	-	1,677
	9,334,221	8,162,700	8,577,886
EXPENSES			
Amortization	473,614	-	842,797
Bad debt expense	-	-	158
Books and periodicals	813,058	1,144,707	969,651
Computerization of libraries	573,291	347,500	486,914
Conferences and workshops	4,335	35,800	3,608
Freight and postage	39,760	58,500	51,957
Grants			
Operating-local libraries (Schedule)	384,823	400,000	414,486
Heat and light	6,345	6,500	6,664
Insurance	125,841	133,500	51,105
Literacy projects	71,736	-	112,085
Loss on disposal of capital assets	130	-	-
Miscellaneous	4,177	-	2,445
Office and library supplies	105,782	117,850	119,720
Professional fees	7,411	7,000	6,500
Rental of premises	348,961	348,961	348,961
Repairs and maintenance	17,984	15,900	24,169
Salaries and benefits	6,106,665	5,946,193	5,579,790
Telephone	63,992	72,500	68,399
Travel	131,817	137,838	122,737
	9,279,722	8,772,749	9,212,146
Excess of revenue over expenses (expenses over revenue)	$ 54,499	$ (610,049)	$ (634,260)

See accompanying notes

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
STATEMENT OF CASH FLOWS
For the Year Ended 31 March

	2004	2003
Cash flows from operating activities		
Excess of revenue over expenses (expenses over revenue)	$ 54,499	$ (634,260)
Adjustments for non-cash items		
Amortization	473,614	842,797
Gain on demutualization	(23,492)	-
Loss (gain) on disposal of capital assets	130	(1,677)
	504,751	206,860
Change in non-cash working capital		
Accounts receivable	(40,783)	1,079,337
Prepaid expenses	42,570	(45,916)
Accounts payable and accrued liabilities	(112,868)	51,544
Deferred revenue	(306,613)	(969,754)
Deposits - local libraries	(715)	(11,250)
	86,342	310,821
Increase in severance pay liability	4,684	58,886
	91,026	369,707
Cash flows from investing activities		
Additions to capital assets	(567,899)	(324,406)
Proceeds from disposal of capital assets	93	14,775
	(567,806)	(309,631)
Cash flows from financing activities		
Capital grant	120,000	120,000
Deferred capital grant	(30,000)	(10,000)
	90,000	110,000
Net increase (decrease) in cash	(386,780)	170,076
Cash, beginning of year	1,398,991	1,228,915
Cash, end of year	$ 1,012,211	$ 1,398,991

See accompanying notes

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES
For the Year Ended 31 March

	2004	2003
Eastern Division		
Arnold's Cove	$ 1,299	$ 1,465
Bay Roberts	59,661	59,985
Bell Island	1,117	1,289
Bonavista	2,829	4,756
Brigus	4,763	5,590
Burin	784	1,378
Carbonear	26,360	26,527
Catalina	2,756	2,652
Clarenville	17,777	14,088
Conception Bay South	6,270	6,983
Fortune	691	701
Fox Harbour	804	1,391
Garnish	1,502	1,362
Grand Bank	7,013	6,390
Harbour Grace	3,409	3,817
Holyrood	5,591	5,864
Marystown	6,630	5,725
Mount Pearl	6,486	12,880
Old Perlican	2,622	2,791
Placentia	15,516	17,810
Pouch Cove	2,285	2,428
St. Brides	5,735	5,164
St. Lawrence	763	863
Southern Harbour	3,351	2,389
Torbay	1,275	1,680
Trepassey	8,307	7,154
Victoria	875	1,537
Whitbourne	5,485	1,593
Winterton	639	702
	202,595	206,954

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)
For the Year Ended 31 March

	2004	2003
Central Division		
Baie Verte	**4,000**	4,765
Bishop's Falls	**1,401**	1,487
Botwood	**5,249**	5,534
Buchans	**1,048**	1,060
Carmanville	**878**	900
Centerville	**1,006**	1,099
Change Islands	**747**	1,150
Fogo	**982**	925
Gambo	**660**	4,101
Gander	**17,803**	23,826
Gaultois	**2,611**	2,406
Glenwood	**1,550**	1,728
Glovertown	**772**	1,002
Grand Falls-Windsor	**3,530**	2,692
Greenspond	**3,531**	3,753
Harbour Breton	**1,963**	2,528
Hare Bay	**891**	937
Harry's Harbour	**3,411**	4,156
Hermitage	**1,090**	1,136
King's Point	**2,913**	2,627
LaScie	**3,209**	9,509
Lewisporte	**4,074**	4,430
Lumsden	**1,681**	1,115
Musgrave Harbour	**816**	990
Norris Arm	**1,904**	2,341
Point Leamington	**1,092**	975
Robert's Arm	**2,562**	4,444
St. Albans	**1,498**	1,416
Seal Cove	**1,025**	964
Springdale	**1,432**	861
Summerford	**1,596**	1,368
Twillingate	**1,066**	1,379
Wesleyville	**1,749**	1,287
	79,740	98,891

PROVINCIAL INFORMATION AND LIBRARY RESOURCES BOARD
SCHEDULE OF OPERATING GRANTS TO LOCAL LIBRARIES (Cont.)
For the Year Ended 31 March

	2004	2003
Western Newfoundland - Labrador Division		
Bay St. George South	766	917
Burgeo	3,859	683
Cape St. George	477	777
Cartwright	645	638
Churchill Falls	413	647
Codroy Valley	633	826
Cormack	1,074	1,239
Corner Brook	4,779	4,583
Cow Head	4,645	5,049
Daniel's Harbour	1,702	1,146
Deer Lake	14,085	19,763
Happy Valley	771	709
Labrador City	15,313	13,532
L'Anse au Loup	1,943	2,034
Lark Harbour	723	712
Lourdes	537	1,393
Norris Point	458	789
Pasadena	552	3,042
Port au Port	2,759	2,536
Port aux Basques	10,644	11,203
Port Saunders	3,873	3,581
Ramea	855	697
Rocky Harbour	608	2,256
St. Anthony	2,009	1,834
St. Georges	767	897
St. Lunaire-Griquet	635	1,061
Sops Arm	751	584
Stephenville	20,422	19,001
Stephenville Crossing	913	976
Wabush	1,841	1,929
Woody Point	3,036	3,607
	102,488	108,641
	$ 384,823	$ 414,486

Authority

The Provincial Information and Library Resources Board (the Board) operates under the authority of the *Public Libraries Act*. The purpose of the Board is to operate the public libraries in the Province. A majority of the members of the Board are appointed by the Lieutenant-Governor in Council. The Board reports to the Minister of Education.

1. Significant accounting policies

These financial statements have been prepared by the Board's management in accordance with Canadian generally accepted accounting principles. The budget disclosed in these financial statements is presented on a cash basis. Outlined below are the significant accounting policies followed.

(a) Reporting entity

The reporting entity for the purpose of these financial statements is the Board's head office and divisional offices. The Board's head office includes Administration, Technical Services and the Provincial Resource Library. These financial statements include expenditures for grants made to local libraries under the jurisdiction of the three divisional library boards detailed in the Schedule to the financial statements. Funds raised by local libraries in excess of the grants provided by the Board or any expenditures in excess of these grants are not reflected in these financial statements.

(b) Capital assets

All capital assets are capitalized at cost at the time of acquisition. Amortization is calculated using the straight line method based on the expected future life of all assets as follows:

Buildings	40 years
Furniture and equipment	10 years
Motor vehicles	5 years
Computer equipment	3 years

(c) Severance pay

The calculation of severance pay is based on years of service and current salary levels. The entitlement to severance pay vests with employees after nine years of continuous service, and accordingly no provision has been made in the accounts for employees with less than nine years of continuous service. The amount is payable when the employee ceases employment with the Board. If the employee transfers to another entity included in the public service, then the liability is transferred with the employee to the other entity.

2. Accounts receivable

	2004	2003
Federal Government		
Harmonized Sales Tax	$ 31,889	$ 72,633
Other	47,790	7,014
Provincial Government	72,332	29,623
Other	14,478	16,594
	166,489	125,864
Less: allowance for doubtful accounts	-	158
	$ 166,489	$ 125,706

3. Prepaid expenses

Prepaid expenses of $169,677 (2003 - $212,247) include inventory of supplies of $51,939 (2003 - $51,103) on hand at the Board's head office and the three divisional library board offices.

4. Long-term investments

Long-term investments consist of 1,678 shares of Sun Life Financial Services of Canada Inc. which were given to the Board as a result of the demutualization of Sun Life Assurance Company of Canada. The carrying value of the shares are recognized at the fair market value of $23,492, as determined by the share price at the time of the transfer of shares to the Board. The fair market value of these shares was $59,065 as at 31 March 2004.

5. Capital assets

	2004			2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 288,200	$ -	$ 288,200	$ 288,200
Buildings	1,871,494	962,785	908,709	924,065
Furniture and equipment	1,236,896	655,665	581,231	615,872
Motor vehicles	218,799	155,388	63,411	56,575
Computer equipment	2,354,666	2,014,755	339,911	202,688
	$ 5,970,055	$ 3,788,593	$ 2,181,462	$ 2,087,400

6. Accounts payable and accrued liabilities

	2004	2003
Accounts payable	$ 32,160	$ 191,047
Accrued salaries and benefits	431,892	385,873
	$ 464,052	$ 576,920

7. Deferred revenue

Deferred revenue represents money received from funding agencies that has not been utilized, and is available for specified expenditures in future years:

	2004	2003
Federal Government	$ 870	$ 29,229
Provincial Government	213,401	492,531
Other	6,862	5,986
	$ 221,133	$ 527,746

8. Deposits - local libraries

Funds raised by some local libraries have been deposited with the Board to cover the cost of wages for additional opening hours and for the purchase of books, periodicals and computers. The balance on deposit at 31 March 2004 was $2,171 (2003 - $2,886).

9. Budget

The 2004 budgeted expenditure exceeded the Province's current year provision for operating grants for the Board. The difference was funded from cash surpluses carried forward from prior years.

10. Lease agreements

The Board has entered into lease agreements for the rental of photocopiers, microfiche readers, postal equipment and various rental properties throughout the Province. Future minimum lease payments for the next five years are as follows:

2005	$439,397
2006	$432,491
2007	$378,735
2008	$283,919
2009	$277,972

11. Pensions

Under the *Public Libraries Act*, Board staff are subject to the *Public Service Pensions Act*. Employee contributions are matched by the Board and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Board's share of pension contributions for 2004 was $323,218 (2003 - $271,492).

12. Income taxes

The Board is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

13. Economic dependence

As a result of the Board's reliance on Provincial funding, the Board's ability to continue viable operations is dependent upon decisions of the Province.

14. Financial instruments

The Board's financial instruments recognized in the balance sheet, in addition to the long-term investments described in Note 4, consist of cash, accounts receivable, accounts payable and accrued liabilities, and deposits - local libraries, the carrying values of which approximate fair market value due to the short-term maturity or current market rate associated with these instruments.